

| Proposed 2019 Session Legislation | | Purpose | Fund Type |
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| DNRC Conservation and Resource Development Division | | | |
| | Invasive Species Program- Revenue Bill | These funds are to be used for AIS grant activities to combat aquatic invasive species by providing funding for the Invasive Species grants at DNRC. Aquatic Invasive Species are invading Montana's waterways. Invasive mussels and non-native aquatic weeds exist here and can continue to invade Montana's waters and create an environmental and economic crisis. | Revenue generated from fees on fishing licenses, boat registration stickers, assessment on hydropower electric generation (+ 2 new options) |
| | Natural Resources- Streambed Protection Act | CD's are charged with administering the 310 laws related to the 310 statue. This legislation would update the team inspection process. | None |

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| DNRC Water Resources Division (WPIC) | | | |
| | Drought and Water Supply Advisory Committee | Clean-up bill to address required reporting dates and to clarify the role of the Drought and Water Supply Committee so as to not be duplicative of efforts coordinated by MT DES, DNRC Floodplains, National Weather Service and US Army Corp of Engineers. | None |
| | An act amending 85-2-420 | Amend 85-2-420 to allow flexibility in how mitigation water is measured and delivered. | None |
| | An act amending 85-2-402 | Strike 85-2-402(7) this will clarify when and what type of hearing is required for change applications. | None |
| | An act repealing section 85-2-331 | To consolidate certain water reservation information from 85-2-331 into 85-2-316 and repeal 85-2-331. Because water reservation applications are no longer accepted for the Missouri anymore. | None |
| | An act amending 85-2-102 and repealing 85-2-422 | Amend/move definitions from specific parts to 85-2-102; From a formatting standpoint, it's better to have definitions in one place if they apply to the chapter as a whole. The definition of non-consumptive use that is used for the closed basin statutes is one that we refer to for open basins. The Water Right definition in 85-2-422 should be moved to definitions as well. | None |

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| DNRC Trust Lands Division | | | |
| | Option for Online Oil & Gas Lease Sales | Revise current statute, 77-3-411 to give the department the option to consider implementing an online auction process for state school trust land oil & gas leasing. | EnergyNet does not charge a fee to implement and conduct online auctions. Their revenue comes from a 2% buyers premium charged on the total bonus bid on each tract. The state could realize increased revenue from online auctions, but the amount is impossible to quantify. Other lease sale process requirements would be coordinated with the online auction process. |
| | 77-5-212 - Commercial permits for timber sales | It is the intent of the Department to increase the amount of green timber that can be harvested under a commercial permit per MCA 77-5-212 to take advantage of short term market changes. | The proposed changes would potentially allow the Department to obtain higher premiums for smaller quantities of green timber. Given the shorter contract timeframes, the Department would expect to bring in more immediate revenue for the trust beneficiaries than under longer contract terms for timber sales. This may be especially advantageous for trust beneficiaries that have smaller forested ownerships. |
| | 77-5-208 - Timber Conservation License in Lieu of Sale | It is the intent of the Department to clarify: circumstances under which a conservation license in lieu of timber sale can be used; when applications for licenses must be submitted; the license term; and the discretion of the agency in accepting license applications. Proposed changes would offer the department discretion in determining the size and location of the conservation license area, to maximize the term of licenses at 10 years, and to prohibit licenses on timber sales that are proposed as a part of the salvage timber program (MCA 77-5-207) where the department is directed to address salvage situations in a timely manner to capture the value of dead and dying timber. | The proposed changes to statute are expected to save staff time per instance that a conservation license application is submitted. |

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| DNRC Forestry Division | | | |
| | Reform Fire Protection Assessments Approach | The DNRC fire and aviation preparedness budget has traditionally been funded at approximately 2/3 General Fund (GF) and 1/3 State Special Revenue (SSR) [MCA 76-13-213]. The 1/3 SSR funding is generated through a statewide fire protection fee (FPA) assessed to owners of private classified forest land (both large and small ownerships.) However, while the DNRC’s fire mission has evolved substantially, the FPA, which funds up to a third of the DNRC’s fire protection preparedness budget, has changed little since its inception and no longer reflects the true nature of Montana’s fire problem or the fire protection mandates set forth for the DNRC. The proposed legislation would fund the DNRC’s fire preparedness efforts sustainably and fairly with a reformed wildland fire protection fee (assessment) that both acknowledges the statewide extent of Montana’s fire problem and acknowledges the true nature of the problem; free-up \$8.2 million State General Fund revenue; sustain stable program delivery by funding the Department’s entire wildfire protection preparedness base budget with SSR funds; potentially enhance DNRC resources committed to the State/County Coop fire protection program in fire prone areas of eastern Montana without incurring additional GF appropriation; and replace \$1.6 million of at-risk federal without incurring additional GF appropriation. | This legislative request will impact funds 01100 and 02039, and potentially impact fund 03469. In one scenario (changing current State appropriation from approximately 1/3 SSR to 100% SSR) the proposed legislation decreases fund 01100 by \$8,197,843 and increases fund 02039 by \$8,197.843. In a second scenario (additionally replacing at-risk federal funds with State SSR) the proposed legislation decreases fund 01100 by \$8,197,843, decreases fund 03469 by \$1,624,216, and increases fund 02039 by \$9,822,059. The Legislature could also elect to enhance DNRC resources committed to the State/County Coop Fire Program, which would additionally increase fund 02039 by \$300,000 and decrease fund 03470 by \$300,000. |

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| | Increase bond and fees for the Hazard Reduction Agreement (HRA) Program | <p>Increase of HRA Bond, Administrative Fee, and Forestry Extension Service Fee.</p> <p>Bond: MCA 76-13-408 Section 2 would change from the current language regarding bond amount: "\$6 for each 1,000 board feet (log scale) or the equivalent if forest products other than logs are cut" to "\$12 for each 1,000 board fee (log scale) or the equivalent if forest products other than logs are cut".</p> <p>Administrative fee: MCA 76-13-414 Section 2(b) would change from the current language regarding administrative fee amount: "60 cents for each 1,000 board feet (log scale) must be charged or an equivalent fee must be charged if products other than logs are cut" to "85 cents for each 1,000 board feet (log scale) must be charged or an equivalent fee must be charged if products other than logs are cut".</p> <p>Forestry Extension Service fee: MCA 76-13-414 Section 2(c) would change from the current language regarding forestry extension service fee amount: "15 cents for each 1,000 board feet (log scale) must be charged or an equivalent fee must be charged if products other than logs are cut" to "30 cents for each 1,000 board feet (log scale) must be charged or an equivalent fee must be charged if products other than logs are cut".</p> | <p>The bond increase will have little fiscal impact to the state if it serves to better incentivize contractor compliance, since contractors receive a full refund of their bond when the slash is properly treated. In the event of contractor default / forfeiture of bond, when the state must step in to treat the slash, fiscal impact may be realized when the amount of forfeited bond will be better able to cover the state's costs. Spending authority for forfeited bond is statutorily appropriated. Any shortfall between forfeited bond and costs to the state must currently be covered by the Forest Practices program's general fund as an unbudgeted expense, reducing funding available for other program needs.</p> <p>The proposed increases to administrative fees would boost fee revenue in SSR funds by approximately 40% (\$16,000) for the DNRC HRA program and by 100% (\$23,000) for the MSU Extension Forestry program.</p> |
| | Allow for Statutory Authority for GNA program income | <p>Allow for statutory authority to be requested on an as-needed basis as program income is earned under Good Neighbor Authority (GNA) agreements.</p> <p>Revise MCA 76-13-104 to allow statutory authority and revise MCA 17-7-502 to cross-reference as necessary.</p> | None |

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| | Change the "Responsible Party" language within the SMZ Law. | In the Streamside Management Zone Law - A proposed change from the current language in MCA 77-5-305 which now reads "Responsibility for compliance -- penalties -- administrative orders. (1) (a) Except as provided in subsection (1)(b), it is the responsibility of the owner (strike the bold type) to ensure compliance with the provisions of this part and rules adopted pursuant to this part." to "Responsibility for compliance -- penalties -- administrative orders. (1) (a) Except as provided in subsection (1)(b), it is the responsibility of the Hazard Reduction Agreement Contractor (insert the bold type) to ensure compliance with the provisions of this part and rules adopted pursuant to this part." This change will put the responsibility more accurately on the person or entity that is typically responsible for carrying out the work. The landowner often is not familiar with typical logging practices or the laws and rules governing them. The HRA contractor typically is familiar with these laws and rules and is in a better position to make sure they are properly followed. In MCA 77-5-305 (1)(b) the clause would be re-written to state that the HRA Contractor could, in writing, transfer the responsibility for SMZ Law compliance to the landowner. | There is minimal to no fiscal impact associated with this proposed change. Booklets would need to be updated as an example of the expense. |